

there was roughly 60 cents spent on R&D by biotech companies. Without question, capital investment for R&D is essential if these new therapies are to be developed and made available to the market.

Much like the biotech industry, the medical device sector is also overwhelmingly composed of smaller manufacturers, with 90 percent of firms having fewer than 100 employees. Most of these small engines of growth focus on niche products with revenues of less than \$100 million, yet they generate 28 percent of the industry's R&D spending. This commitment to R&D often means that these companies are the source of some of the most cutting-edge innovations, which can radically improve treatment options for patients.

To continue to develop and improve the medical devices available to patients, the medical technology industry invests heavily in R&D. Today, the device industry leads global medical technology R&D, both in terms of innovation as well as investment. In absolute terms, R&D spending has increased 20 percent on a cumulative annual basis since 1990. The industry's level of spending on R&D is more than three times the overall U.S. average.

Encouraging new investment in the life sciences industry will enable this key sector of the American economy to grow and flourish in the years ahead. The American Life Sciences Competitiveness Act of 2007 contains both corporate and investor oriented provisions to ensure access to capital and continued vigorous research and development in biotechnology and medical devices.

This comprehensive legislation includes a number of provisions that would remove barriers to capital formation currently in our tax code. Specifically, the legislation modifies the Net Operating Loss (NOL) rules of Section 382, with the goal of enhancing the capacity of life sciences firms to leverage capital for use in high-tech, high-risk cutting-edge research. The legislation ensures that neither the raising of new research capital by biotech companies nor a business-driven merger of two biotech loss companies will trigger the 382 Net Operating Loss (NOL) limitations.

In addition, the legislation contains two important modifications to the existing R&D tax credit. The legislation increases, from 65 percent to 100 percent, the amount of contract research expenses by life sciences firms eligible for the R&D credit. The legislation also increases the amount of basic research payments to universities from life sciences companies that qualifies for the full R&D credit.

Importantly, the legislation recognizes the grave threat the country faces from bioterrorist attacks and a potential avian flu epidemic and contains tax incentives designed to spur the industry to develop effective countermeasures. This provision provides a 20 percent credit on qualified pre-clinical and clinical trial expenses associated with the development of a countermeasure to combat pandemic flu or bioterrorist attacks.

The bill also makes an important change to the orphan drug tax credit, allowing clinical trial expenses incurred after an application is made to the FDA, but before the orphan designation is received, to qualify for the credit. This change removes the current incentive to delay research and will help speed new orphan drug therapies to the market.

In addition to the corporate-sector incentives, the American Life Sciences Competitive-

ness Act of 2007 contains two important provisions targeted towards the life sciences investor. One provision allows capital gains on the sale of stock in a life sciences company held for longer than 6 months to be deferred as long as the proceeds are reinvested in another life sciences company within 60 days. The second provision provides a 20 percent credit for investors in biotech firms engaged in incubational research. "Incubational research" refers to early, cutting-edge research that often occurs shortly after university laboratory research and prior to large-scale clinical trials. This stage of research is often termed the "Valley of Death" because the dearth of investment results in promising investigational therapies and products withering on the vine for lack of adequate capital.

America's life sciences industry is strategically and economically vital. We must take every action we can to keep our Nation at the forefront of this emerging technology sector. Countries with significant government investments in their biotech industries, such as India and China, pose a serious long-term challenge to America's biotechnology and medical device industries.

The American Life Sciences Competitiveness Act of 2007 will give American companies important tools to answer this challenge and ensure that our scientists have the opportunities to research, develop and bring to market life-saving treatments.

Biotechnology and medical device products will be in demand from billions of people worldwide, creating a tremendous boon to the economies that create these products. Keeping the United States at the forefront of global life sciences innovation will translate into more and better-paying jobs here at home. The actions we take today will determine the winners and losers in the 21st century global economy. I urge my colleagues to support this important bill and better ensure that our economy continues to compete—and win.

PERSONAL EXPLANATION

HON. SUE WILKINS MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 2007

Mrs. MYRICK. Madam Speaker, I was unable to participate in the following votes. If I had been present, I would have voted as follows:

July 30, 2007—Rollcall vote 758, on motion to suspend the rules and pass—H.R. 2750, NASA 50th Anniversary Commemorative Coin Act—I would have voted "aye"; rollcall vote 759, on ordering the previous question—H. Res. 580, Providing for consideration of the bill H.R. 986, to designate the Eightmile River in the State of Connecticut—I would have voted "nay"; rollcall vote 760, on agreeing to the resolution—H. Res. 580, Providing for consideration of the bill H.R. 986, to designate the Eightmile River in the state of Connecticut—I would have voted "nay"; rollcall vote 761, on ordering the previous question—H. Res. 579, Providing for consideration of the bill (H.R. 2831) to amend title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Americans With Disabilities Act of 1990, and the Rehabilitation Act of 1973 to clarify that a discriminatory compensa-

tion decision—I would have voted "nay"; and rollcall vote 762, on agreeing to the previous question—Providing for consideration of the bill (H.R. 2831) to amend title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Americans With Disabilities Act of 1990, and the Rehabilitation Act of 1973 to clarify that a discriminatory compensation decision—I would have voted "nay."

FARM, NUTRITION, AND BIOENERGY ACT OF 2007

SPEECH OF

HON. TODD TIAHRT

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 2007

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2419) to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes:

Mr. TIAHRT. Mr. Chairman, I rise today with great reluctance that I am not able to support the Farm, Nutrition, and Bioenergy Act of 2007, H.R. 2419. The Agriculture Committee worked for many months in a bipartisan manner to craft an omnibus farm bill that would have achieved broad support in the House. H.R. 2419 was not a perfect bill, but it was a compromise that I would have supported in hopes that an even better package could be produced during conference negotiations with the Senate.

Unfortunately, Democrat leadership decided to insert a last-minute tax increase into the farm bill after the bill had left the House Committee on Agriculture. The tax provision represents a \$7.5 billion increase in taxes on companies that supply high-quality, high-paying jobs for American workers. These are often union jobs held by hard-working men and women trying to earn a living for their families. Instead of producing a farm bill that meets the needs of America's farmers, ranchers, landowners and those who rely on nutrition programs, the Democrats have instead resorted to a tax-and-spend policy instead of an invest-and-create-jobs policy.

The \$7.5 billion tax increase on foreign-owned American businesses inserted in H.R. 2419 could result in more jobs being sent overseas. In a time when the United States should be encouraging investment in our country and in American jobs, this kind of tax policy takes our economy a step backward. The last-minute Democrat tax increase will make it less attractive for foreign companies that employ American workers to initiate or expand operations in the United States. And that means bad news for American workers.

The United States has negotiated 58 tax treaties with 66 different countries. The Democrat tax proposal applies a tax increase on companies located in countries with which we have a tax treaty. This calls into serious question the United States' upholding our end of the treaties, which could invite retaliation.

Aside from the damage H.R. 2419 would do to American jobs, the Democrat's farm bill would cut a total of \$3 billion from the crop insurance program compared to the 2002 farm bill. Most troubling, is that \$1 billion of these

cuts were made without consideration by the full Agriculture Committee to determine how this will effect risk-management services farmers in Kansas rely upon. With nearly every county in Kansas being declared as a federal disaster area in 2007, we should think long and hard about cuts to the federal crop insurance program. It is disappointing that Democrat leadership chose to make this cut without first considering what it will mean for America's farmers.

Another harmful provision included last-minute in the farm bill would apply Davis-Bacon act wages to new ethanol plants being built if those plants utilize loans or grants from the USDA. This provision negates any positive benefit that would have been provided by the USDA's loan guarantee program. By artificially dictating what wages have to be paid to workers constructing a new ethanol plant, the farm bill will result in increased ethanol costs. This translates to higher costs at the pump for consumers of ethanol-blended gasoline. Instead of allowing price competition for newly constructed ethanol plants that access USDA loans or grants, this artificial wage provision is another example of unnecessary federal manipulation in a private-market matter.

I am also disappointed the bill included a prohibition on States being able to use private contractors to perform administrative functions for the food stamp program. States that choose to enact reforms within their systems to provide better food-stamp services at a savings to taxpayers are denied that ability under H.R. 2419. Rather than defer to States and allow some common-sense savings for taxpayers, the Democrats have drafted a farm bill that restricts certain reforms at the State level.

The commodity title of H.R. 2419 proposes a commodity spending cut of 42 percent compared with the 2002 farm bill. The 2007 farm bill proposes \$42 billion in baseline spending on commodities, representing just 14 percent of the entire farm bill. I think Kansas farmers deserve better.

As a State that is renowned for being the breadbasket of the world, Kansas and its farmers deserve a farm bill that provides a solid safety net while remaining fiscally responsible to taxpayers. I do not believe this \$297 billion farm bill meets this standard. And as my colleague from Kansas, Mr. MORAN, has pointed out, this farm bill fails to fully implement a revenue counter-cyclical program that would better respond to Kansas farmers in times when they need support the most.

I urge my colleagues to join me today in voting against H.R. 2419. The American farmer, the American taxpayer and the American worker deserve a better farm bill. I can only hope negotiations with the Senate will address this bill's shortcomings and that the House will have another opportunity to vote on comprehensive farm policy that is good for all Americans.

HONORING THE CITY OF MIDDLETON, WISCONSIN AS THE
"BEST PLACE TO LIVE 2007"

HON. TAMMY BALDWIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 2007

Ms. BALDWIN. Madam Speaker, I rise today to recognize the City of Middleton as the

"Best Place to Live 2007," a title presented by Money Magazine that mirrors the thriving civic, commercial, residential, and natural centers of the community.

Middleton, Wisconsin, the "Good Neighbor City," is deserving of this honor as a reflection of the vibrant community it has become since its founding in 1856. The furtrading post that was opened in 1832 by the area's first carpenter, Michael St. Cyr, along with the arrival of the railroad in 1856 and the train depot, Middleton Station, that followed, served as town hubs that encouraged neighborhood growth and subsequent business prosperity.

Today, as a testament of this award, Middleton is flourishing. While Middleton residents still treasure the historic structures of the past, such as the Old Stamm House, a former station on The Underground Railroad, they also are looking forward. At present Middleton is the corporate headquarters for American Girl, Capital Brewery, Electronic Theatre Controls, ETC, and Springs Window Fashions, LLC.

There exist numerous elements that are keys to the community's success, including the Middleton-Cross Plains area school district and its high level of academic and cocurricular achievements; an outstanding performing arts center; 25 percent of land mass designated as "green space;" the home of Middleton Hills, the first "new urbanism" subdivision of the Midwest; a regional employment center; and superb public amenities, including a nationally recognized library, a nationally-accredited senior center, a historical museum, and abundant parks, to name a few.

As the "Best Place to Live 2007," the City of Middleton has much for which it should be proud. I look forward to watching the community as it continues to grow and builds upon the strong foundation that its residents, businesses, and employees have created for themselves.

A TRIBUTE TO THE LIFE OF
JOSEPH NICHOLAS ESPINOZA

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 2007

Ms. ESHOO. Madam Speaker, we rise today with great sorrow to honor the life of Joseph Nicholas Espinoza of Sacramento, California, who died in a tragic accident on July 23, 2007.

Joseph Espinoza was known to his family and friends as Joey. At a family dinner on May 25th, he celebrated his 21st birthday. He was 'best friend' to his brother John, his sister Marina, his cousins Sean, Connor and Michael, and his girlfriend Gina. He admired his father, confided in his mother and always sought their loving advice. He was a musician and an athlete, and was gifted in math and science, and his goal was to become an architect.

Joey was loved and always will be by his childhood friends and their families. His family knew that he was honest and earnest, that he had great energy and a tender and generous heart. He was open and trusting and was the keeper of the secrets of many who counted on his encouragement and courage.

Joey is survived by his parents Kate and John Espinoza of Sacramento, his brother John, and his sisters Marina, Kelly Rose,

Jeannie and Mendi. He leaves his loving grandmothers Rose King and Rose Espinoza and he is mourned by his many aunts, uncles and cousins of his parents' families.

Madam Speaker, we hope this tribute to Joey will be a source of comfort to his family. We have known and treasured his grandmother, Rose King, for almost 40 years and we share her immeasurable grief. She has been the great anchor of her family and she has contributed mightily to the well being of Californians through her dedicated public service spanning many decades.

Our Nation has lost a precious citizen and we ask today that the entire House of Representatives join us in honoring the life of Joseph Nicholas Espinoza and extend to his grieving family our deepest sympathy.

IN SUPPORT OF AMENDMENT TO
H.R. 3093 REQUIRING USE OF
"ENERGY STAR" LIGHT BULBS

HON. JAY INSLEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 2007

Mr. INSLEE. Madam Speaker, I would like to commend Representative JANE HARMAN (D-CA) and Representative FRED UPTON (R-MI) for their unfailing hard work and dedication to the issue of light bulb efficiency in the United States Congress. Their leadership in this area has greatly contributed to our national effort to prevent global climate change and reduce our dependence on foreign energy sources. Recently Ms. HARMAN and Mr. UPTON offered an amendment to H.R. 3093, the Commerce, Justice, Science, and Related Agencies Appropriations Act of 2008. This amendment prohibited funds to be used to purchase light bulbs unless the light bulb has the "ENERGY STAR" or "Federal Energy Management Program" designation. During this vote, Rollcall 738, I erroneously voted against the measure which I wholeheartedly support.

Since indoor and outdoor lighting accounts for up to fifteen percent of energy use in the average residence, inefficient light bulbs can consume large amounts of excess energy.

With the advent of compact fluorescent light bulbs, Americans have been given an alternative to inefficient incandescent bulbs which waste up to ninety-five percent of consumed energy as heat. These long-lasting high-efficiency fluorescent light bulbs provide equivalent illumination as incandescent light bulbs, so neither comfort nor convenience is sacrificed in this energy-saving endeavor. However, they consume up to sixty-six percent less energy, leading to major decreases in energy bills. By simply replacing the light bulbs in their homes, our constituents will be saving money in addition to energy.

Ms. HARMAN and Mr. UPTON have empowered Americans with an uncomplicated, affordable plan that offers only benefits to both individuals and our nation as a whole. As we look to renewable energy sources to minimize our foreign oil dependence and increase national security, each citizen can do his or her part both at home and at work with the nearly effortless action of changing a light bulb.